

June 7, 1945

Pat Fraley
Assistant Secretary
Arizona Corporation Commission
The Capitol
Phoenix, Arizona

LAW LIBRARY
ARIZONA ATTORNEY GENERAL

Dear Madam:

We reply to your letter of June 6, 1945 which we quote below:

"Section 53-901, 1939 Code, provides that corporations organized or going business in the state shall pay an annual license fee of \$15.00 and file an annual report.

"Several instances have arisen of foreign corporations which qualified in previous years to do business in this state, but who now claim that they have done no business in the state this year and claim exemption from the payment of such tax or the rendering of such report.

"It is therefore requested that you kindly give us the benefit of your opinion as to what is meant by the word "Organized." Does it mean domestic companies only, in other words, corporations whose domicile is Arizona, or can the word "organized" be construed to cover any corporation who enters this state and commences doing business."

The phrase "organize in the state" means a domestic corporation whose charter was granted under and by virtue of the law of the state of Arizona. A foreign corporation, on the other hand, is one which is organized under the laws of any American state or the District of Columbia. A foreign corporation, in order to do business in Arizona, must first obtain a license from the Corporation Commission and comply with all the other provisions of Section 53-801.

You will also note that Section 53-901 provides that:

"Every corporation organized or doing business in this State * * * shall * * * pay an annual registration fee of \$15.00 to the Corporation Commission * * * and file with the said Corporation Commission a report.
* * *"

This report must give a detailed description of all the assets of the Company and the value thereof and where the same are located. This report is the means through which the Corporation Commission shall officially determine the status of the corporation. If the foreign corporation previously admitted to do business in this State ceases to do business herein, it may then request that its license be revoked; but so long as the corporation retains its license to do business in Arizona it must file the annual report and pay the \$15.00 registration fee.

Your attention is also called to Section 53-902 which provides in effect that whenever any corporation has failed for two years to pay the registration fee and has not filed the annual report, the Corporation Commission may enter an order requiring such corporation to show cause why its right to do business in this State should not be revoked and its license annulled.

Respectfully submitted,

JOHN L. SULLIVAN
Attorney General

HARRY O. JULIANI
Chief Assistant
Attorney General

H0J:jw